

This substitute makes changes to the workers' compensation law.
The substitute:

- (1) Redefines "accident" to a specific, identifiable, traumatic event during a single work shift;
- (2) Requires that an injury or occupational disease be compensable only if an accident or occupational exposure was the dominant factor in causing the condition or disability, rather than a substantial factor;
- (3) Restricts benefits for the aggravation of pre-existing conditions to those cases where a work-related injury causes increased permanent disability and reduces compensation by the amount of permanent partial disability that was pre-existing;
- (4) Exempts from coverage personal health conditions that manifest themselves at work when an accident is not the dominant factor in the need for medical treatment and injuries from unknown causes. Deterioration from aging is currently listed as not compensable; the substitute adds deterioration from normal activities of day-to-day living;
- (5) Requires members of the Labor and Industrial Relations Board to be confirmed by the Senate within 30 days after the next regular session begins;
- (6) Increases the penalty when violation of drug and alcohol rules is involved by reducing benefits by 50% rather than 15% and requires that intoxication at or above the legal blood level be conclusively presumed to be the proximate cause of injury;
- (7) Requires employees on disability to submit to examinations at the request of the state if there is a second injury claim;
- (8) Requires that voluntary settlements be approved unless they are manifestly unjust;
- (9) Requires administrative law judges to receive the advice and consent of the Senate and limits appointed terms to four years;
- (10) Requires an audit of the Division of Workers' Compensation when the maximum tax rate for the Workers' Compensation Fund or the Second Injury Fund fails to meet the expenses of the previous year;
- (11) Requires that if the surcharge for the Second Injury Fund is not calculated by October 31 of a given year, then the new

rate cannot go into effect less than 60 days from the determination;

(12) Allows an employee to opt out of workers' compensation for religious reasons, but he or she must sign a waiver agreeing not to take future civil actions against the employer; and

(13) Adds certified peace officers to the list of those for whom certain diseases caused by exposure to smoke, gases, carcinogens, inadequate oxygen, and psychological stress are recognized as occupational diseases.

FISCAL NOTE: Loss to Workers' Compensation Administrative Fund of \$0 or Unknown in FY 2004, FY 2005, and FY 2006. Estimated Net Effect on Second Injury Fund of an Unknown cost to an Unknown income in FY 2004, FY 2005, and FY 2006. Estimated Net Effect on General Revenue of an Unknown cost to an Unknown income in FY 2004, FY 2005, and FY 2006. Estimated Net Effect on Various State Funds of an Unknown cost to an Unknown income in FY 2004, FY 2005, and FY 2006. Estimated Net Savings to Conservation Commission Fund of Unknown in FY 2004, FY 2005, and FY 2006. Estimated Net Savings to Highway Fund of Unknown in FY 2004, FY 2005, and FY 2006.